

**Senate Bill No. 1068**

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Passed the Senate May 29, 2012

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*Secretary of the Senate*

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Passed the Assembly August 16, 2012

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2012, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 20311 of the Public Contract Code, and to repeal and add Section 102222 of the Public Utilities Code, relating to public contracts.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1068, Rubio. Local Agency Public Construction Act: Golden Empire Transit District: Sacramento Regional Transit District.

Existing law, the Local Agency Public Construction Act, with respect to the purchase by the Golden Empire Transit District of supplies, equipment, and materials that exceed \$10,000 or any single purchase of fuels exceeding \$15,000, requires the contract to be let to the lowest responsible bidder. Existing law requires the Golden Empire Transit District to publish a notice requesting bids to be published in a newspaper of general circulation, as provided.

Existing law requires the Sacramento Regional Transit District to award contracts for the purchase of supplies, equipment, and materials in excess of \$40,000 to the lowest bidder after competitive bidding, except when an emergency is declared by the board, as specified.

This bill instead would require contracts of the Golden Empire Transit District and the Sacramento Regional Transit District for the purchase of supplies, equipment, and materials that exceed \$100,000 to be let to the lowest responsible bidder or, in the district's discretion, to the responsible bidder that submits a proposal that provides the best value, as defined. This bill would, with regard to the Golden Empire Transit District, remove the requirement that a single purchase of fuels exceeding \$15,000 be let to the lowest responsible bidder and would revise the notice requirement to require that notice requesting bids be published at least once in a newspaper of general circulation and on the district's procurement Internet Web site, as provided. This bill also would require both districts, to the extent practicable, to obtain a minimum of 3 quotations, either written or oral, that permit prices and terms to be compared, whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds a

specified minimum amount but does not exceed \$100,000. By expanding the duties of a local agency, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*The people of the State of California do enact as follows:*

SECTION 1. Section 20311 of the Public Contract Code is amended to read:

20311. (a) (1) The construction of facilities and works, when the expenditure required exceeds ten thousand dollars (\$10,000), shall be by contract let to the lowest responsible bidder.

(2) Notice requesting bids shall be published at least once in a newspaper of general circulation, which publication shall be made at least 10 days before bids are received. The board may reject any and all bids and readvertise in its discretion.

(3) When the expected procurement required exceeds one thousand dollars (\$1,000), the board shall seek a minimum of three quotations, either written or oral, which permit prices and other terms to be compared.

(b) (1) The purchase of all supplies, equipment, and materials, when the expenditure required exceeds one hundred thousand dollars (\$100,000), shall be by contract let to the lowest responsible bidder or, in the district's discretion, to the responsible bidder that submitted a proposal that provides the best value, as defined in paragraph (2), to the district on the basis of the factors identified in the solicitation.

(2) For the purposes of this section, "best value" means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.

(3) Notice requesting bids shall be published at least once in a newspaper of general circulation and on the district's procurement Internet Web site, which publication shall be made at least 10 days

before bids are received. The board may reject any and all bids and readvertise in its discretion.

(4) To the extent practicable, when the expected procurement required exceeds two thousand five hundred dollars (\$2,500) but does not exceed one hundred thousand dollars (\$100,000), the board shall seek a minimum of three quotations, either written or oral, which permit prices and other terms to be compared.

(5) This subdivision applies solely to the procurement of supplies, equipment, and materials and shall not apply to construction contracts.

SEC. 2. Section 102222 of the Public Utilities Code is repealed.

SEC. 3. Section 102222 is added to the Public Utilities Code, to read:

102222. (a) Except as provided in subdivision (b), contracts for the purchase of supplies, equipment, and materials in excess of one hundred thousand dollars (\$100,000) shall be by contract let to the lowest responsible bidder or, in the district's discretion, to the responsible bidder that submitted a proposal that provides the best value, as defined in paragraph (1), to the district on the basis of the factors identified in the solicitation.

(1) For purposes of this section, "best value" means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.

(2) To the extent practicable, when the expected procurement required exceeds three thousand dollars (\$3,000) but does not exceed one hundred thousand dollars (\$100,000), a minimum of three quotations shall be obtained, either written or oral, which permit prices and other terms to be compared.

(b) The provisions of subdivision (a) do not apply in the case of an emergency declared by a four-fifths vote of the board of directors.

(c) This section applies solely to the procurement of supplies, equipment, and materials and shall not apply to construction contracts.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district are the result of a program for which legislative authority

was requested by that local agency or school district, within the meaning of Section 17556 of the Government Code and Section 6 of Article XIII B of the California Constitution.





Approved \_\_\_\_\_, 2012

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*Governor*